

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:	Phillips 66 Seminole Pipeline Extrication Land Use License
Proposed Implementation Date:	January/February 2013
Proponent:	Phillips 66 Pipeline LLC
Location:	Section 25, Township 5 South, Range 31 East (Bighorn River – Public Land Trust)
County:	Big Horn County

I. TYPE AND PURPOSE OF ACTION

Phillips 66 Pipeline LLC (Phillips 66) is requesting a Land Use License to remove a recently abandoned segment of the Seminole Pipeline. This facility consists of an exposed or nearly exposed 8-inch diameter petroleum pipeline located underneath the navigable riverbed of the Bighorn River in Section 25-T5S-R31E in Big Horn County. Phillips 66 recently completed a Horizontal Directional Drilling (HDD) project that resulted in a new pipeline segment being located 40' below the thalweg of the Bighorn River. The pipeline did not have an easement from the State to cross the Bighorn River and the Land Board approved an easement for the facility on September 17, 2012. One of the conditions of approval of the easement was the removal of the old pipeline from the Bighorn River between January-March 2013. This was required because the old line was exposed or nearly exposed and there was concern that it could become suspended and get snagged and result in a need to close the Bighorn River at an inopportune time. The Bighorn River receives a significant amount of use by fly fishermen and is a big economic draw for the surrounding area.

The Bighorn River has been adjudicated through Montana v U.S. (1981) which found that the state owns the entire length of the riverbed from Wyoming to its confluence with the Yellowstone River even though a portion of it is located within the boundaries of the Crow Tribe Reservation. In addition, there is a landform in Sections 25 and 36 that shows State ownership in Department of Revenue parcel data. The DNRC performed research on this landform and it is very likely that it is indeed owned by the State, as it appears to be an island that was located between the main channel and a high water channel of the river. The installation of Yellowtail Dam upstream of this location could account for the lack of flow in this former channel. This landform will also serve as one the staging areas for the pipeline removal.

Phillips 66 will initially attempt to remove the abandoned pipeline by pulling it out from the shore. If this is not successful then they will need to construct ramps to the river and remove the pipeline by open-cut trench.

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:

Provide a brief chronology of the scoping and ongoing involvement for this project.

The DNRC did not perform any formal public scoping for this project. However, the SLO did contact Montana Fish, Wildlife and Parks regarding the proposal and found out that the FWP had already been contacted by Phillips 66 about the project. Phillips 66 is planning on working with FWP and the Bighorn River Alliance on notifying the public at least two weeks prior to commencement of the project so that recreationists can plan around the date in case the river needs to be temporarily closed.

2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:

Big Horn Conservation District: 310 Permit
US Army Corps of Engineers: Section 404 Permit

3. ALTERNATIVES CONSIDERED:

No Action Alternative: Deny the request to issue a Land Use License to remove a recently abandoned segment of the Seminole Pipeline from under the bed of the Bighorn River.

Proposed Alternative: Approve the request to issue a Land Use License to remove a recently abandoned segment of the Seminole Pipeline from under the bed of the Bighorn River.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT
<ul style="list-style-type: none">• <i>RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.</i>• <i>Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.</i>• <i>Enter "NONE" If no impacts are identified or the resource is not present.</i>

4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:

Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify any cumulative impacts to soils.

The proposed alternative would permit the issuance of a Land Use License to remove the recently abandoned segment of the Seminole Pipeline from under the bed of the Bighorn River that is exposed or nearly exposed. Phillips 66 recently completed a project to lower the depth of the pipeline to 40' below the thalweg using Horizontal Directional Drilling (HDD). The Land Board required the removal of the abandoned pipeline when it approved the easement for the HDD project in September 2012.

Phillips 66 is proposing to first attempt to pull out the abandoned section of pipe. If this is not successful, then they may need to construct a ramp down into the river and extricate the pipe through an open cut method. Any materials that are removed will be set aside to be reused. The areas that were used for the HDD project will also be used in the extrication for staging and access.

No significant long term adverse impacts are expected to geology and soil quality by implementing the proposed alternative.

5. WATER QUALITY, QUANTITY AND DISTRIBUTION:

Identify important surface or groundwater resources. Consider the potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality. Identify cumulative effects to water resources.

The proposed alternative would permit the issuance of a Land Use License to remove the recently abandoned segment of the Seminole Pipeline from under the bed of the Bighorn River that is exposed or nearly exposed. Phillips 66 recently completed a project to lower the depth of the pipeline to 40' below the thalweg using Horizontal Directional Drilling (HDD). The Land Board required the removal of the abandoned pipeline when it approved the easement for the HDD project in September 2012.

Phillips 66 is proposing to attempt to pull out the abandoned section of pipe. If this is not successful, then they may need to construct a ramp down into the river and extricate the pipe through an open cut method and this could cause a short term degradation of water quality. If the pipe cannot be pulled out, then the amount of time that the contractor would need to be in the river is estimated at 1-3 days.

Short term impacts from the extrication operation are not expected to have a significant long term adverse impact. Phillips 66 will be required to follow Montana Best Management Practices (BMP) for stormwater runoff, as well as permitting requirements from the Montana Department of Environmental Quality. This would include installing erosion control and sediment control devices to prevent topsoil from reaching the river.

6. AIR QUALITY:

What pollutants or particulate would be produced? Identify air quality regulations or zones (e.g. Class I air shed) the project would influence. Identify cumulative effects to air quality.

The proposed alternative would require the operation of construction machinery including but not limited to a trackhoe and miscellaneous support trucks. The entire project is expected to last approximately 1-2 weeks, with the in river extrication taking up 1-3 days of that timeframe. The proposed alternative would be of a relatively short duration and would not be expected to have significant adverse impacts to air quality.

7. VEGETATION COVER, QUANTITY AND QUALITY:

What changes would the action cause to vegetative communities? Consider rare plants or cover types that would be affected. Identify cumulative effects to vegetation.

Implementation of the proposed alternative would utilize an existing 250'x200' HDD entry pad on the northwest side of the river on property owned by Grapevine Ranch for staging. It would also utilize for staging an existing 145'x300' HDD exit point work pad on the southeast side of the river on the landform that is likely owned by the State. The pipeline extrication would require the removal of vegetation on a portion of the stream bank which would be set aside and attempted to be reused. If open cut work is required in the stream bed there is not much vegetation that would be impacted by this activity. Phillips 66 will be required to restore the bank to its original configuration and to place biodegradable streambank matting down along with reseeding the disturbed area with an appropriate seed mix. The disturbed areas will be monitored for at least one year to ensure that the bank is stable and there is vegetation re-growth along with monitoring and treating any noxious weeds.

No significant long term adverse impacts to vegetation cover, quantity or quality are expected by implementing the proposed alternative.

8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:

Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.

A variety of big game, small mammals, raptors and songbirds may traverse this area. Additionally, the Bighorn River is one of the premier trout fisheries in Montana. The noise from the trackhoe could disperse or cause wildlife to temporarily avoid the area. The project implementation is proposed for a 1-3 week period in January-March 2013 and this time of year will not cause disturbance to breeding or nesting activities for Bald Eagles and Great Blue Heron. No significant long term adverse impacts to terrestrial, avian and aquatic life and habitat are expected to occur as a result of implementing the proposed alternative.

9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:

Consider any federally listed threatened or endangered species or habitat identified in the project area. Determine effects to wetlands. Consider Sensitive Species or Species of special concern. Identify cumulative effects to these species and their habitat.

A proposed project area search of the Montana Natural Heritage Program database identified four vertebrate animals listed as a species of concern or threatened species: Bald Eagle, Great Blue Heron, Sauger, and Spotted Bat.

Bald eagles are listed as a species of concern and are known to populate areas along the Bighorn River. Due to the short duration and time of year of the proposed project activities, no significant impacts are anticipated.

Great Blue Heron is listed as a species of concern. The Montana Field Guide discusses reproductive timeframes and the proposed project would not interfere with breeding or nesting, if there are any nearby nests. Therefore, no significant impacts are anticipated.

Sauger is listed as a species of concern. The proposed project could result in a temporary disturbance to the Bighorn River streambed; however, no significant long term impacts are anticipated.

Spotted Bat is listed as a species of concern. The area primarily south/southwest of the subject site has more cliffs and outcroppings that would constitute their preferred habitat. The Spotted Bat could traverse or forage through the subject site, but the topography would not seem to support any preferred roost sites. Due to the short duration of the proposed project activities, no significant impacts are anticipated.

10. HISTORICAL AND ARCHAEOLOGICAL SITES:

Identify and determine effects to historical, archaeological or paleontological resources.

The Southern Land Office Land Use Specialist and Land Use Planner conducted a visual survey on a portion of the potential state-owned landform and did not note any cultural features. No significant adverse impact to historic and archaeological sites on state-owned land is expected as a result of implementing the proposed alternative.

11. AESTHETICS:

Determine if the project is located on a prominent topographic feature, or may be visible from populated or scenic areas. What level of noise, light or visual change would be produced? Identify cumulative effects to aesthetics.

The proposed action is located on a fairly remote section of the Bighorn River generally located between the Three Mile and Bighorn Fishing Access Sites, approximately 5 miles northeast of Fort Smith. Phillips 66 is proposing to close the river while they are working in the channel, which is expected to be 1-3 days. Once the pipe is removed, the banks will be stabilized and biodegradable matting will be placed on the bank and covered with an appropriate seed mix. Once the abandoned pipeline is removed, this will be the only evidence of the work that was completed on the site.

The impact that will be most noticeable to users on the Bighorn River will be the noise from the trackhoe. The closest residence is approximately 0.6 miles from the project area and is not expected to cause any significant adverse impacts from noise due to the relatively short duration of the project.

12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:

Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.

Implementation of the Proposed Alternative is not expected to have a significant adverse impact on environmental resources of land, water or energy.

13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:

List other studies, plans or projects on this tract. Determine cumulative impacts likely to occur as a result of current private, state or federal actions in the analysis area, and from future proposed state actions in the analysis area that are under MEPA review (scoped) or permitting review by any state agency.

Other permits that are required by other local, state or federal agencies or departments for the proposed project are listed above in Section 2 of this EA. There are no other known future government actions planned for this area.

IV. IMPACTS ON THE HUMAN POPULATION
<ul style="list-style-type: none">• <i>RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.</i>• <i>Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.</i>• <i>Enter "NONE" if no impacts are identified or the resource is not present.</i>

14. HUMAN HEALTH AND SAFETY:

Identify any health and safety risks posed by the project.

Implementation of the Proposed Alternative would provide for increased health and safety by removing a now abandoned petroleum pipeline that is currently exposed or nearly exposed from the river channel before it can become completely exposed and suspended. The Proposed Alternative will provide for the safe use of the

Bighorn River in the future without the potential of the suspended line snagging debris or a boat anchor. The Southern Land Office recommended to the Land Board that the abandoned pipe be removed sometime between January-March 2013. This would allow it to be removed during low flow of the Bighorn River, as well as, when there are a lower number of users on the river that would be impacted.

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:

Identify how the project would add to or alter these activities.

Implementation of the Proposed Alternative is not expected to have a significant impact on industrial, commercial and agricultural activities and production.

16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:

Estimate the number of jobs the project would create, move or eliminate. Identify cumulative effects to the employment market.

Implementation of the Proposed Alternative is not expected to have a significant impact to quantity and distribution of employment.

17. LOCAL AND STATE TAX BASE AND TAX REVENUES:

Estimate tax revenue the project would create or eliminate. Identify cumulative effects to taxes and revenue.

Implementation of the Proposed Alternative is not expected to have a significant impact on local and state tax base or revenues.

18. DEMAND FOR GOVERNMENT SERVICES:

Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify cumulative effects of this and other projects on government services

Implementation of the Proposed Alternative is not expected to have a significant adverse impact on the demand for government services.

19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:

List State, County, City, USFS, BLM, Tribal, and other zoning or management plans, and identify how they would affect this project.

Implementation of the Proposed Alternative is not expected to conflict with any locally adopted plans.

20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:

Identify any wilderness or recreational areas nearby or access routes through this tract. Determine the effects of the project on recreational potential within the tract. Identify cumulative effects to recreational and wilderness activities.

This section of the Bighorn River is very heavily used, especially by fly fisherman as it is one of the premier trout fisheries in the state. During the easement review process, when it was determined that the DNRC would recommend to the Land Board that the abandoned pipe be removed, the SLO consulted with river users and the January to March timeline came from these conversations. This is due to the fact that the river receives less use during those months and that if the project required a temporary closure of this stretch of river that it would have the least amount of impact on recreational use. Additionally, Phillips 66 will provide two weeks advance notice of the project through press releases to the media so that users will know about the temporary closure and avoid it.

The risk of abandoning the pipe in place was that it could become further exposed and ultimately suspended. If this happened it is possible that debris or some other object, like a drift boat anchor, could snag the old pipeline which could require the river to be closed while the old pipeline removed. If a section of the river had to be closed during a heavy use period of the fishing season, it would have an adverse economic impact on businesses that rely on the fisherman and other river users.

21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:

Estimate population changes and additional housing the project would require. Identify cumulative effects to population and housing.

Implementation of the Proposed Alternative is not expected to have a significant adverse impact to density and distribution of population and housing.

22. SOCIAL STRUCTURES AND MORES:

Identify potential disruption of native or traditional lifestyles or communities.

Implementation of the Proposed Alternative is not expected to have a significant adverse impact on social structures and mores.

23. CULTURAL UNIQUENESS AND DIVERSITY:

How would the action affect any unique quality of the area?

Implementation of the Proposed Alternative is not expected to have a significant adverse impact on cultural uniqueness or diversity.

24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:

Estimate the return to the trust. Include appropriate economic analysis. Identify potential future uses for the analysis area other than existing management. Identify cumulative economic and social effects likely to occur as a result of the proposed action.

The State will benefit by getting a one-time fee of \$150 for the Land Use License. The Public Lands Trust is the beneficiary of this payment since it involves a navigable river.

EA Checklist Prepared By:	Name: Jeff Bollman, AICP	Date: 7 December 2012
	Title: Area Planner, Southern Land Office	

V. FINDING

25. ALTERNATIVE SELECTED:

The Proposed Alternative has been selected and it is recommended that a Land Use License be issued to allow removal a recently abandoned segment of the Seminole Pipeline. This facility consists of an exposed or nearly exposed 8-inch diameter petroleum pipeline located underneath the navigable riverbed of the Bighorn River in Section 25-T5S-R31E in Big Horn County. This alternative can be implemented in a manner that is consistent with the long-term sustainable natural resource management of the area.

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

The potential for significant adverse impacts will be avoided or mitigated by the project through the implementation of the below conditions of the Land Use License. Many potential impacts listed above are short term and correspond with the extrication process which could be lessened if the contractor is able to pull the pipe out of the riverbed instead of utilizing an open cut method. There are no natural features or nearby species of concern noted that are expected to experience long term adverse impacts from implementing the proposed alternative.

Mitigation measures:

1. Licensee shall contact the DNRC Southern Land Office (SLO) at least 48 hours prior to commencement of work on the project at any time during the term of the License. The contact at the SLO is: Jeff Bollman, Area Planner, jbollman@mt.gov or 406-247-4404 (office) or 406-670-4642 (cell).
2. All in-river work shall be completed in an expeditious manner to avoid unnecessary impacts to the river.
3. All activities performed in the river and immediate vicinity shall be conducted in a manner to reduce turbidity along with minimizing disturbances to the riverbed and riverbank.
4. To prevent leaks of petroleum products into the river, no defective equipment shall be operated in the river or adjacent areas.
5. Licensee shall be responsible for monitoring site stabilization and vegetation re-growth/reseeding of disturbed areas, as well as monitoring and treating noxious weeds in disturbed areas for at least one year after project completion.
6. All necessary permits shall be secured before any activities begin.
7. Licensee is responsible for any additional permits or requirements from any other affected regulatory agency.
8. Licensee shall be responsible for providing the public at least two weeks advance notice of project and potential for river closure during the project. This notice may take the form of a press release or the purchase of advertising space in the Big Horn County News, Billings Gazette. This information shall also be provided to Montana Fish, Wildlife and Parks and the Bighorn River Alliance.
9. The Licensee shall comply with all public laws, statutes, ordinances, and administrative rules which are applicable to its operations upon the above-described lands. In no event shall the Licensee conduct any activity, or allow any activity to be conducted, upon the above-described lands or within the Project which is: a nuisance; violative of public health, safety, welfare; or is offensive to prevailing community standards concerning morality or obscenity. The Licensee shall be fully and completely liable to, and indemnify, defend, and hold harmless, the Licensor for any and all damages and clean up costs and penalties imposed by any governmental authority with respect to Licensee's use, disposal, transportation, generation, or sale of Hazardous Substances, in or about the above-described lands.

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

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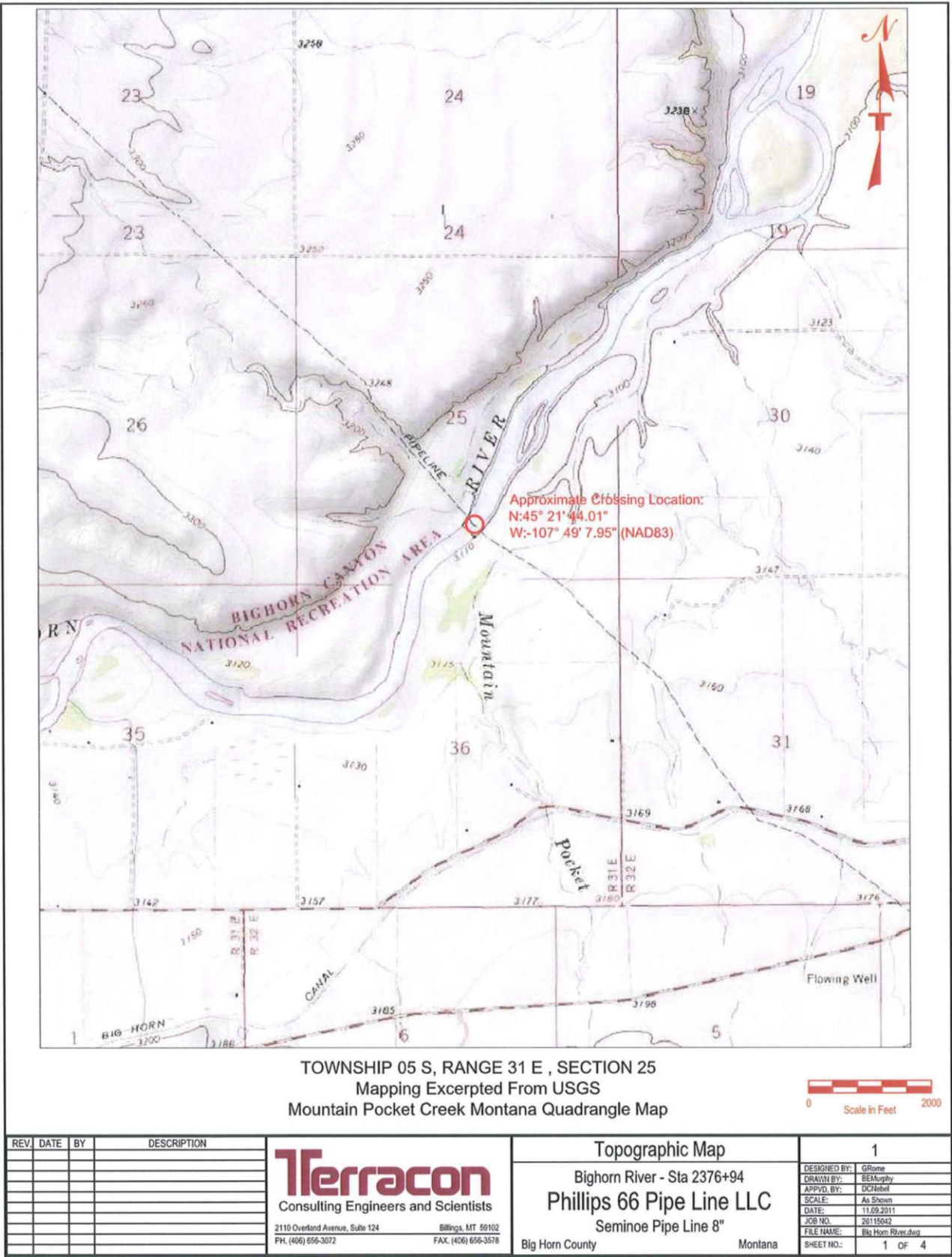
More Detailed EA

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No Further Analysis

EA Checklist Approved By:	Name: Matthew Wolcott
	Title: Area Manager, Southern Land Office
Signature: /s/ Matthew Wolcott	
Date: December 7, 2012	

Attachment A – Location Map of Proposed Seminole Pipeline Extrication Project



Attachment B – Pipe Removal Details

